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T.R.A. DOCKET ROOM

August 15, 2005

Hon. Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

RE: BellSouth Anti-Competitive Practices
Docket 02-01274

Dear Chairman Miller,

The Authority previously requested a status report on this docket to be filed on or about August 16.

RECAP - In the initial (*pro se*) complaint letter stamped 'filed' by the TRA on December 4, 2002, Aeneas' CEO Jonathan Harlan explained that he was setting out eight incidents with Bellsouth that tended to expose a pattern, policy, or practice on the part of Bellsouth of impairing the competitive ability of CLECs by attacking their productivity. *"While these events on a singular basis would not prove catastrophic, numerous and repeated events on a regular basis seem to indicate an anti-competitive posture by Bellsouth"**

*As it turns out, this is a widely held belief Professor Reza Dibadj had previously noted that something akin to guerilla warfare had been declared by the RBOCs, with the incumbents using their control of the networks to hamper the operations of the competitors by delaying repairs for CLEC customers while an RBOC salesperson calls on the customer, not processing CLEC orders in a timely manner, losing orders outright, one competitor has called this 'success by incompetence'. (Reza Dibadj, "Competitive Debacle in Local Telephony:" It is available from: <http://law.wustl.edu/WULQ/81-1/p%201%20Dibadj.pdf>). Outgoing Chairman Powell basically acknowledged the situation when he commented on CLEC *"dependency on an intransigent incumbent, who if committed to frustrate entry has a thousand ways to do so in small, imperceptible ways"*



On January 21, 2002, Bellsouth filed a response to Mr. Harlan's letter addressing each allegation. Bellsouth admitted error with regard to two of the incidents, denied responsibility in five of them and stated that it lacked information sufficient to respond to one of the allegations.

On March 20, 2003, the Authority issued a Data Request to Aeneas seeking information regarding the specific remedies it was seeking in connection with the allegations stated in the letter. On April 4, 2003, Mr. Harlan responded with a Rebuttal to BellSouth's letter, noting twelve more incidents with Bellsouth, and stating six requests for specific relief.


By letter dated May 3, 2005, Bellsouth responded to the additional Aeneas allegations as well as the Aeneas rebuttal concerning the original allegations. All issues raised thus appear joined.

In the August 4, 2003 Authority Conference, the panel designated Counsel Lynn Questell to serve as mediator in the event the parties could not conclude these complaints.

In the most recent Bellsouth filing, Bellsouth declined to address the Aeneas claims for relief on that basis that it has either has no records to support Aeneas' position or that it was not responsible on the merits concerning any of the disputed incidents; thus it would seem that the parties will not be able to conclude these matters on their own.

NEW CLAIM- Bellsouth reports in July 2005 that of the SEEMS payments it agreed to make to CLECs for its own errors and failures, it has made a \$5,248,400.92 miscalculation for the period December 2004-April 2005 and wants CLECs to pay it back. Aeneas has changed its position in reasonable reliance on Bellsouth's calculations. Bellsouth has not acted in a timely manner and failed to mitigate its damages, if there has indeed been a miscalculation. The defense of laches applies. The back charges are not permitted by any agreement entered by Aeneas. Aeneas disputes these back charges and the reasonableness of the charges.

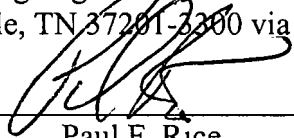
Aeneas proposes- by copy of this letter- to informally confer with a representative of Bellsouth with authority to implement the relief requested by Mr. Harlan. In the event that issues remain unresolved, Aeneas will notify Bellsouth and Lynn Questell that a mediation session will be needed

Sincerely,

Paul F. Rice, Attorney

Cc: Henry Walker, Esq.
Guy Hicks, Esq.

Certificate of Service

I hereby certify that on May 12, 2005, a copy of the foregoing document was served on Guy Hicks, 333 Commerce Street, Suite 2101, Nashville, TN 37201-3300 via US Mail.



Paul F. Rice.